

150-2000-
18 Sept.

BF-4450

OGC Has Reviewed

CONFIDENTIAL

Document No.	_____
No Change In Class.	<input type="checkbox"/>
<input type="checkbox"/> Declassified	13 September 1955
Class. Changed To	C
Auth.	HR 70-2
Date:	24-9-78

MEMORANDUM FOR: Comptroller

SUBJECT: Study of Blanket Waivers With Respect to Projects for Purpose of Recommending to Director the Method for Handling Existing and Future Projects of This Type

1. Since the 7 September meeting of the Committee appointed to study the subject problem, I have given some thought to the ideas presented at that meeting and to other facets of the overall problem as they appear to me. I am taking this opportunity to bring my comments on this subject to your attention so that you may bring them up for consideration at the next meeting if you see fit. Many of these comments are not, as you will notice, based on strictly "legal" considerations.

2. Frame of reference of the problem.

The problem presented to the Committee for consideration and recommendations is stated in terms of "blanket waivers of accountability on existing and future projects." To clarify what we are dealing with, it is our understanding that the Director has not, and does not intend to waive accountability on any project. What we are concerned with in the area of "accountings" are those projects for which the Director authorizes a waiver of the normal regulatory accounting requirements in favor of an alternative verification of proper expenditure, such as certification by a senior official charged with responsibility for the project.

Project examples cited at the first committee meeting were of the type for which the Director has expressly waived regulatory accounting requirements. The Inspector General's report stated that projects totaling some [redacted] had such waivers in fiscal year 1955. If projects totaling [redacted] have express waivers, I would estimate that in the same year at least an equal amount of projects had "informal" waivers of normal regulatory requirements. Informal waivers are frequently effected by obtaining the signature of the Director, a Deputy Director, or sometimes their subordinates, on a memorandum or cable which approves action to be taken on a given activity. Usually the document does not specifically waive normal regulatory requirements. The fact that the paper or cable is signed, however, authorizes action to be taken

CONFIDENTIAL

25X1A1A

25X1A1A

25X1

which, without signatures at this level, would otherwise be considered in derogation of normal Agency regulations. For example, I have known of a number of cases in which operational approval was obtained to lend money, the loan was made and sometimes "lost" before DD/S elements were brought into the picture. Another example would be those activities which would normally be subject to Agency regulatory requirements, but which, because they are activated out of "developmental"

25X1

probably creates more administrative difficulties than does the express blanket waiver, because it leaves the status of the activity in limbo. When there is no "meeting of the minds" between the approving authority and the case officer as to whether or not such action is intended to effect a waiver, the average case officer will assume that it did-- frequently, to his successor's sorrow. It seems to me that in preparing the study on this problem, the Committee should make recommendations on both express and implied waivers or, at the very least, acknowledgment that two related problem areas, perhaps of equal magnitude, exist.

3. How to define the "sensitive project" which requires special handling.

One of the biggest problems that must be met by the mechanics of solution is to distinguish between the truly sensitive project and the project which the case officer, or his immediate superior, would like to classify as a sensitive project either to avoid the normal bureaucracy, or because they are not in a position to distinguish between sensitive and normal activities by the standards of those senior operating officials who see hundreds of projects. [redacted] pointed up this problem at the first meeting when he said that almost every project outline from one geographic branch, generally considered a non-sensitive area, comes in "Top Secret". It seems to me that the case officer or Branch Chief, schooled as he is to respect the theory of internal compartmentalization and to protect any covert operation externally, cannot be criticized for attempting to direct his project through that channel established to securely and expeditiously handle the "sensitive" project. However, if this is permitted, the unique channel rapidly becomes clogged or routine. Consequently, any system devised to diminish the blanket waiver problem must provide for a high-level determination of which projects are to be handled as "sensitive".

25X1A9A

In considering which projects are of such sensitivity as to warrant some special treatment short of a blanket waiver, I am convinced that many projects of extreme sensitivity can be handled by a discreet case officer through the normal channels without violating the

25X1

Approved For Release 2003/09/30 : CIA-RDP78-05246A000100020017-5

Next 2 Page(s) In Document Exempt

Approved For Release 2003/09/30 : CIA-RDP78-05246A000100020017-5

25X1A1A

head has the time to personally handle the problems incident to creating and providing continuing support to [] worth of projects. Each must appoint his subordinates to represent him, particularly in projects of a continuing nature. If this is true, is it not likely that a new forum would within a short while, involve the same individuals who now are, or should be, handling these problems?



Office of General Counsel

25X1A9A

CONFIDENTIAL